

**MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

June 7, 2023
1:30 PM

Location: Remote*

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Office of the State Treasurer, Designee
Maria Pinaud, Director of Municipal Services, MassDEP, Designee
Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Nicole Munchbach, Accountant, MCWT
Sunkarie Konteh, Accountant, MCWT
Joshua Derouen, Senior Program Associate, MCWT
Julian Honey, Program Associate, MCWT
Kailyn Fellmeth, Program Associate, MCWT
Jonathan Maple, Senior Policy Analyst, MCWT
Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT
Sophia Lindstrom, Intern, MCWT
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Kathleen Baskin, Assistant Commissioner, MassDEP
Greg Devine, Section Chief, MassDEP
Mary Wilkins, Communications Executive Assistant, Office of the State Treasurer
Andrew Napolitano, Director of Communications, Office of the State Treasurer
Jennifer Pederson, Executive Director, MWWA

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:30 p.m.

Item #1

MOTION- VOTE

Acceptance and Approval of May 3, 2023 Minutes

The motion was made by Ms. Pinaud and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on May 3, 2023.

REPORT OF THE EXECUTIVE COMMITTEE

American Rescue Plan Act (ARPA) Fund Disbursements

Ms. Perez stated that to date, the Trust has disbursed approximately \$77 million in ARPA funds.

Lead Service Line (LSL) Planning Grants

Ms. Perez stated that including the grants up for vote today, 64 LSL Planning Grants have been issued totaling \$14 million. There have been 48 grants totaling approximately \$11.2 million awarded to disadvantaged communities.

Project Solicitation for the 2024 Intended Use Plans (IUPs)

Ms. Perez stated that the project solicitation period for the 2024 IUPs is now open.

Trust Updates

Ms. Perez said that Trust staff will be attending the Massachusetts Collectors and Treasurers Association conference on Cape Cod next week.

A recorded version of the 2023 Borrower Presentation will be uploaded to the Trust website.

The Trust has a new summer intern, Sophia Lindstrom.

EPA Grant Applications and LSL Replacement Grant Allocations

Ms. Perez stated that the Trust and MassDEP are applying for seven EPA grants totaling over \$200 million.

Mr. Keenan noted that the Trust and MassDEP drafted talking points regarding the considerable cut to Massachusetts' 2023 LSL Replacement Grant. These talking points are being shared with the Federal Funds Office at the Executive Office for Administration and Finance as part of future discussions on how to address the issue with EPA.

Item #3

MOTION- VOTE

The motion was made by Ms. Pinaud and seconded by Mr. Yontar.

Ms. Perez explained that administrative fee revenue will be higher in FY 2024 than it was in FY 2023 since Series 24 loans will begin repayment.

A larger amount is budgeted for DEP payroll because additional full-time employees are being hired for assisting with administering the emerging contaminants and LSL grants.

A \$500,000 placeholder was included in the budget for other administrative fund expenses for relocation costs because the Trust will be moving its office.

There is a net deficit of \$1,611,054 but the Trust has ample administrative funds. Actual amounts are expected to be presented to the Board in August.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approval of the Fiscal Year 2024 Budget

1. That the Board of Trustees approves the Trust's fiscal year 2024 budget request, distributed to the Board, for funds from the Administrative Fund for the costs of administering its programs paid through the MCWT's Expendable Trust and the Department of Environmental Protection's Expendable Trust.
2. That the Board of Trustees approves the Trust's fiscal year 2024 budget request of the Department of Environmental Protection, distributed to the Board, for funds from the Clean Water and Drinking Water administrative grant funds and set-aside funds for the administration of the state revolving fund.

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Pinaud.

Ms. Perez noted that most changes are related to Bipartisan Infrastructure Law requirements, which were incorporated into the Terms and Conditions. While amending the Financing Agreement, other language was cleaned up and consolidated. The Schedule B section was amended to better define loan forgiveness. A new Schedule D was added for listing any additional securities.

The motion voted unanimously in favor of acceptance and approval of the following:

Approval of revised Standard Financing Agreement and Standard Terms & Conditions

1. That the revised standard form of multipurpose Financing Agreement (“Financing Agreement”) and the standard Terms and Conditions (the “Terms & Conditions”) to the Financing Agreement for financing eligible costs of Water Pollution Abatement Projects and Drinking Water Projects under the Trust’s Clean Water Program and Drinking Water Program for making direct loans, leveraged loans, interim loans, or as necessary replacement loans (collectively, “Financings”), are hereby approved in substantially the forms presented at or prior to this meeting, with such additions, deletions and other changes thereto, not inconsistent with the Master Trust Agreement dated as of January 1, 2015 between the Trust and U.S. Bank Trust Company, National Association, as Master Trustee (as amended, the “Master Trust Agreement”) as the Authorized Officers executing and delivering such Financing Agreement incorporating such Terms & Conditions may approve, such execution and delivery to be conclusive evidence of approval and ratification of all such changes (with all capitalized terms used and not otherwise defined in this vote having the meanings given such terms in the Master Trust Agreement).
2. That the Financing Agreement and the Terms & Conditions approved in Paragraph 1 are further approved for use in making Financings heretofore approved by the Trust and in place of the standard financing agreement and standard terms and conditions to Financing Agreement approved at the time of the original vote of the Trust approving the terms of such financings (the “Original Votes”), in each case to the extent not inconsistent with the Original Votes.
3. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary to incorporate the Financing Agreement and Terms & Conditions into the Trust’s programs for Financings, including making such non-substantive changes and corrections to the Financing Agreement or Terms & Conditions as necessary or convenient for the efficient and effective administration of the Trust’s programs for Financings.

The Board has previously approved a set of Bylaws for the Trust. Pursuant to Article VIII the bylaws may be amended by vote of at least two members of the Board, provided that the notice of the meeting at which the amendments are

approved specifies the subject matter of the amendments. The proposed amendments to the Bylaws increase the size of the Executive Committee (to five from three), add an officer (the Deputy Director of Program Development) and make certain other certain clarifying changes including with respect to the procedures for appointing certain officers.

Item #5

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Pinaud.

Ms. Perez stated that approving this motion will increase the Executive Committee membership from three to five. The updates to the bylaws also amended language, such as changing “chairman” to “chair”.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approval of amendment of Bylaws to increase the size of the Executive Committee, add a Deputy Director of Program Development and make certain other clarifying changes.

That the revised Bylaws of the Trust are hereby approved in the form presented at or prior to this meeting.

Item #6

MOTION- VOTE

The motion was made by Ms. Pinaud and seconded by Mr. Yontar.

Ms. Perez stated the Trust issued a request for responses for firms to provide technical assistance (TA) to small, rural, and tribal public water works. The Procurement Management Team (PMT) reviewed applications. The PMT recommends that the Board approve a non-profit organization to be the TA provider. The program will be rolled out once approved by the Board.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approval of Small Systems Technical Assistance

That the recommendation of the procurement management team, established pursuant to the Trust’s request for responses, dated January 19, 2023, distributed to the Board, to prequalify technical service providers to assist small, rural, and tribal publicly owned treatment works, particularly in disadvantaged communities, with participating in the CWSRF loan program, is hereby approved.

That the Board hereby delegates to the Executive Director, and/or other authorized officers of the Trust, all necessary power and authority to take any such further action as necessary to finalize the prequalification of the selected firm.

Item #7

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Pinaud.

Ms. Perez stated that nitrogen sensitive area projects were previously allotted 7.5% in loan forgiveness. The Executive Committee has recommended increasing the forgiveness to 15%, equal to the amount awarded to Combined Sewer Overflow projects.

The motion was voted unanimously in favor of acceptance and approval of the following:

Use of ARPA Funds to Provide Additional Subsidies in the Form of Principal Forgiveness for 2021 Projects in Nitrogen Sensitive Areas

That the Board approves the use of American Rescue Plan Act (“ARPA”) funds to provide additional subsidies in the form of principal forgiveness for certain Clean Water projects of the Borrowers listed in Schedule 1 (“Schedule”) based on the eligible costs presented in the Schedule for projects in nitrogen sensitive areas in the listed amounts.

MOTION- VOTE

The motion was made by Ms. Pinaud and seconded by Mr. Yontar.

Ms. Perez stated that transitioning the LSL Program from a loan to a grant program led to grantees needing to fulfill federal grant requirements.

Some grantees are very small public water suppliers (PWS) that do not receive federal funds from other sources and therefore may not be meeting certain requirements. The Trust wants to assist these very small PWS meet requirements that come with being the recipients of federal funds such as audit requirements.

\$100,000 will be set aside to help very small PWS with meeting requirements. Requests will be reviewed and approved on a case-by-case basis by the Executive Committee.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approve the Use of Admin Funds to Assist LSL Program Grantees with Grant Compliance

1. That the Trust approve the use of a portion of its Administrative Funds to provide technical assistance in accordance with the Enabling Act and the Safe Drinking Water Act (including, without limitation, paying a portion of the costs of third-party financial audit for recipients not otherwise required to have such audits performed) to certain recipients of grants under the Trust's LSL Planning Program in complying with the required grant conditions;
2. That the Trust set aside \$100,000 of Administrative Funds for such purpose, to be expended at the direction and with the approval of the Executive Committee.
3. That the Trust authorizes and directs the Executive Director, and such other officers of the Trust as the Executive Director may delegate, to perform all such additional acts, not inconsistent with this vote, as may be necessary or desirable in effecting the purposes of this vote.

Item #9

MOTION- VOTE

Approval of Lead Service Line Planning Program Commitments

The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of acceptance and approval of the following:

<u>PAC No.</u>	<u>Recipient</u>	<u>Amount</u>
DW-23-15	Adams Fire District	\$50,000
DW-23-53	Cherry Valley and Rochdale Water District	\$110,000
DW-23-44	Chicopee	\$311,500
DW-23-51	Dedham-Westwood Water District	\$907,400
DW-23-46	Everett	\$150,000
DW-23-50	Fairhaven	\$100,000
DW-23-47	Falmouth	\$128,000
DW-23-43	Hadley	\$145,770
DW-23-41	Lunenburg Water District	\$253,000
DW-23-55	Maynard	\$200,000
DW-23-49	Somerset	\$75,000
DW-23-45	Turners Falls Fire District	\$26,400
DW-23-48	Westminster	\$56,800

Item #10

MOTION- VOTE

Approval of Clean Water Commitment

The motion was made by Ms. Pinaud and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-22-35	Framingham	\$9,919,928 ¹	1.5% ²

Item #11

MOTION- VOTE

Approval of Drinking Water Commitment

The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of acceptance and approval of the following:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-23-52	Norwell	\$1,875,000	0% ³

¹ First Revision. Original PAC amount was \$7,830,000.

² Housing Choice Loan

³ PFAS Remediation Loan

Item #12

MOTION- VOTE

Approval of Lead Service Line Planning Program Grants and Grant Agreements

The motion was made by Ms. Pinaud and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
DWL-23-15	Adams Fire District	\$50,000
DWL-23-53	Cherry Valley and Rochdale Water District	\$110,000
DWL-23-44	Chicopee	\$311,500
DWL-23-51	Dedham-Westwood Water District	\$907,400
DWL-23-46	Everett	\$150,000
DWL-23-50	Fairhaven	\$100,000
DWL-23-47	Falmouth	\$128,000
DWL-23-43	Hadley	\$145,770
DWL-23-41	Lunenburg Water District	\$253,000
DWL-23-55	Maynard	\$200,000
DWL-23-49	Somerset	\$75,000
DWL-23-45	Turners Falls Fire District	\$26,400
DWL-23-48	Westminster	\$56,800

Item #13

MOTION- VOTE

Approval of the Clean Water Loans/Local Government Obligations and Financing Agreements

The motion was made by Ms. Pinaud and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWP-22-34	Brockton	\$2,173,452	1.5% ²
CWP-22-35	Framingham	\$9,919,928	1.5% ²
CW-22-31	Franklin	\$33,000,000	1.5% ²
CW-22-57	Littleton	\$29,438,000	1.5% ²
CWP-22-69	Lynn Water and Sewer Commission	\$25,000,000	1.5% ²
CW-22-73	New Bedford	\$1,521,200	2%
CWP-22-53	Taunton	\$2,137,058	1.5% ²
CWP-22-53-A	Taunton	\$362,000	1.5% ²
CWP-22-54	Taunton	\$4,000,000	1.5% ²

Item #14

MOTION- VOTE

Approval of the Drinking Water Loans/Local Government Obligations and Financing Agreements

The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of acceptance and approval of the following:

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWP-22-49	East Brookfield	\$7,869,027	2%
DWP-22-38	Leicester Water Supply District	\$5,179,421	2%
DWP-22-20	North Attleborough	\$7,250,061	0%³
DWP-22-26	Townsend	\$14,900,000	0%³
DWP-23-18	Yarmouth	\$3,365,339	0%³

OTHER BUSINESS: None

ADJOURN: The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of adjourning the meeting at 1:46 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, May 3, 2023
2. Project Descriptions
3. Fiscal Year 2024 Budget
4. June 2023 Financing Agreement
5. June 2023 Financing Agreement Redline
6. June 2023 Financing Agreement Standard Terms and Conditions
7. June 2023 Standard Terms and Conditions Redline
8. Bylaws of the Massachusetts Clean Water Trust as Amended Through June 2023
9. Bylaws of the Massachusetts Clean Water Trust as Amended Through June 2023 Redline
10. Small Systems Technical Assistance Request for Responses
11. Small Systems Technical Assistance Request for Responses Recommendation Memo
12. Schedule of Loan Forgiveness for Nitrogen Sensitive Are Projects

***Location: Remote:** Notice is hereby given that the Wednesday, June 7, 2023 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L.c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, and c.2 of the Acts of 2023.

Those who would like to attend the meeting, please e-mail masswatertrust@tre.state.ma.us to request meeting information. Information to access the meeting will be available through the duration of the meeting. However, we encourage participants to request the information by 5:00 PM the day before the meeting.

To ensure that the audio is clear to all attendees, unless you are actively participating in the meeting, please mute your audio. If you have technical difficulties joining the meeting, please email masswatertrust@tre.state.ma.us.

Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.